

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
	)	
W.R. GRACE & CO., <u>et al.</u> , <sup>1/</sup>	)	Case No. 01-01139 (JFK)
	)	(Jointly Administered)
	)	
Debtors.	)	Re: Docket No. 12431, 12659 and
	)	12454
	)	
	)	July 24, 2006 Agenda Item No. 3

**ORDER APPROVING SETTLEMENT AGREEMENT REGARDING  
ENVIRONMENTAL PROTECTION AGENCY CLAIMS AT THE WAUCONDA SITE**

This matter coming before the Court on the United States' Notice ("Notice") of Lodging Settlement Agreement (the "U.S. Settlement Agreement") (Docket No. 12454) which was filed in conjunction with the Motion of Debtors for Entry of an Order Approving a Stipulation Settling

<sup>1</sup> The Debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food 'N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc., E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

Claims Concerning the Wauconda Site and Authorizing Payment Thereunder (the "Motion") (Docket No. 12431), pursuant to Bankruptcy Code sections 105 and 363 and Bankruptcy Rule 9019, and the subsequent Certification of Counsel requesting approval of the amended U.S. Settlement Agreement; the Court finding that (a) the Court has jurisdiction over these matters pursuant to 28 U.S.C. sections 157 and 1334, (b) this is a core proceeding pursuant to 28 U.S.C. section 157(b)(2), and (c) notice of the Notice and Motion was adequate under the circumstances; the Court also finding that the United States sought public comment on the proposed U.S. Settlement Agreement, received one comment, and, together with the Debtors, made a change to the U.S. Settlement Agreement to address the comment; and the Court having determined that the U.S. Settlement Agreement is fair, reasonable, in the public interest, and consistent with the purposes of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601 et seq., and consistent with the Order Approving a Stipulation Settling Claims Concerning the Wauconda Site and Authorizing Payment Thereunder entered on June 16, 2006 (Docket No. 12659), and that the legal and factual bases set forth in the Motion and Notice establish just cause for the relief granted herein;

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

The parties' request for entry of an Order pursuant to the Notice, the Motion, and the Certification of Counsel is GRANTED.

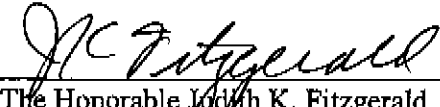
1. The U.S. Settlement Agreement, a copy of which, as revised, is attached to this Order as Exhibit 1, is approved.
2. The Debtors shall be, and hereby are, authorized to enter into the U.S. Settlement Agreement, and are authorized to take any and all actions reasonably necessary or appropriate to

consummate the U.S. Settlement Agreement and perform any and all obligations contemplated therein.

3. The Supplemental Proof of Claim filed by the United States on behalf of the Environmental Protection Agency (Claim 15506, appended to Claim 9634) shall be deemed withdrawn with prejudice and W.R. Grace & Co.-Conn.'s liability thereunder shall be deemed resolved.

4. This Court shall retain jurisdiction to interpret, implement, and enforce the provisions of the U.S. Settlement Agreement and this Order.

Dated: 7/24, 2006

  
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The Honorable Judith K. Fitzgerald  
United States Bankruptcy Judge